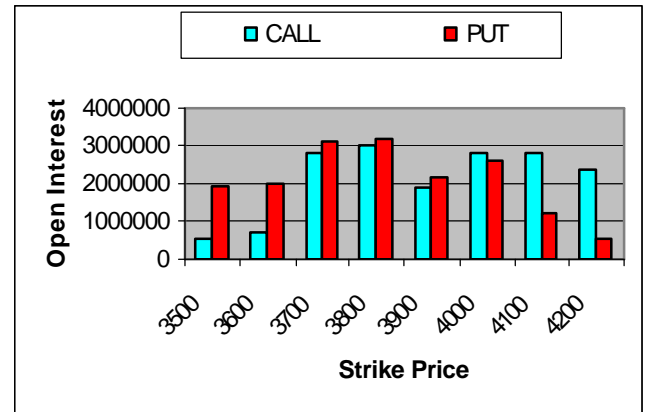


10th March, 2007

Indices' Snapshot

	Previous week	This week	Change	%Chg
Nifty	3726.75	3718.00	-8.75	-0.23
Sensex	12886.13	12884.99	-1.14	-0.01
Bank Nifty	5218.95	5187.85	-31.10	-0.60
CNX IT	5200.60	5189.55	-11.05	-0.21
Futures LTP (March)				
Nifty	3670.50	3675.50	5.00	0.14
Bank Nifty	5200.00	5166.90	-33.10	-0.64
CNX IT	5170.00	5120.00	-50.00	-0.97
Open Interest (OI)				
Nifty	39625750	37060400	-2565350	-6.47
Bank Nifty	155450	153450	-2000	-1.29
CNX IT	11100	19650	+8550	+77.03
Cost of Carry (% annualized)				
Nifty	-19.81	-17.30	+2.51	
Bank Nifty	-10.95	-10.11	+0.84	
CNX IT	-3.99	-22.96	-18.97	

Nifty Options OI Distribution



Nifty Put Call Ratio (OI)

	Last Week	This Week	Change	% Change
Call OI	16882100	21283550	+4401450	+26.07
Put OI	16715650	20421300	+3705650	+22.17
PCR	0.99	0.96	-0.03	

FII's Weekly Derivative Statistics 08.03.07

	Buy		Sell		Open Interest as on 08.03.07		Open Interest as on 01.03.07		Change in FIIs Open Interest (W-o-W)	
	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.	No. of Contr.	Amt in Crs.
Index Futures	549840	9999.69	389685	7099.78	714444	13430.53	723487	13737.44	-9043	-306.91
Index Options	99483	1840.34	53646	1033.06	422790	7951.94	316699	6035.02	106091	1916.92
Stock Futures	130907	3164.95	98396	2340.47	618268	15010.08	613767	15272.58	4501	-262.49
Stock Options	244	5.34	820	18.12	1756	38.78	2141	46.10	-385	-7.31
TOTAL						36431.33		35091.13		+1340.21

Source: NSE

Market Activity

Nifty remained extremely volatile throughout the week and we witnessed sharp moves both on downside and on upside. Nifty has closed at 3718 for the week with a loss of 8 points. Nifty futures traded in wide range as the discount fluctuated between 40-50 points to 10-15 points. Major losers during the week, in terms of price were Parsvnath, Jindal Steel, NDTV, Ultra Tech, Escorts, ACC, TataChem, India Cement, Dabur, ITC, Hindalco etc. Few gainers were Triveni, Renuka, Bharti, MTNL etc. FIIs remained net buyers but have shed minor positions indicating short covering activity as well as some build up of fresh long positions. FII's OI in Index options has increased remarkably indicating highly cautious approach. In stock futures also, short covering activity was seen during the week along with minor long positions being created.

Market Outlook

Nifty closed weak at 3718 after a highly volatile trading on Friday. We have also witnessed fresh short positions in Nifty during Friday's session as nearly 12 lakh shares were added with 20-25 points discount. The Implied volatility of Nifty also remained at high levels of 29-30% indicating that the markets may continue to depict wild movements as we witnessed during the past week. One shall remain extremely cautious and avoid taking long positions in the markets at current levels.

Open Interest (OI) Analysis

Huge short positions were seen in Cement stocks like **ACC (37%), India Cement (17%), Guj Ambuja (10%)**, mainly during Friday's session and these stocks are looking weak, thus one shall avoid going long in these stocks. Unwinding of positions was seen in many stocks mainly in Alok textiles, Ashok Leyland, BHEL, Cummins, Dr.Reddy, GMR Infra, HLL, IDBI etc. Short covering was seen in MTNL. Century Textiles added nearly 12% in OI with strength in stock price and positive CoC on Friday and may remain strong in the coming days.

Put-Call Ratio (PCR) Analysis

- Nifty PCR (OI) is currently at 0.96 compared to 0.99 the previous week.
- Nifty Call options added 44 lakh shares (+26%) & Put options added 37 lakh shares (+22%) in OI during the week.
- Support is seen building up in 3600-3500 range as remarkable build up in Put options is seen.
- Resistance for immediate term is seen near to 3800 levels.
- Nifty 3500 & 3600 Put options added 19-20 lakh shares each in OI during the week.
- Nifty 3700 Put options added nearly 11 lakh shares in OI during the week.
- Nifty 3700 Call options added over 17.5 lakh shares during the week.

Cost of Carry (CoC)

Turned Positive: BOI, OBC, RCOM, Syndicate Bank.

Turned Negative: GMR Infra, Indian Hotels, LT.

Zeal Mehta

Derivative Analyst

zeal.mehta@emkayshare.com

Tel: +91 22 6612 1276

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Member: Bombay Stock Exchange Limited (BSE) and The National Stock Exchange (NSE).

C-6, Ground Floor, Paragon Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.

Tel No. 66121212. Fax: 66121299; **E-mail:** marketing@emkayshare.com; **Website:** www.emkayshare.com;

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Call (Tollfree) 1-600-223-434 / 1-800-223-434